

EXHIBIT 1



Freed Maxick & Battaglia, PC
Certified Public Accountants

December 9, 2002

Peter Berlant, CPA
Anchin, Block & Anchin
1375 Broadway
New York, NY 10018

Re: Waldman Publishing Corp.
Playmore

Dear Peter:

I am writing to you concerning the equalization adjustments that Playmore has recently proposed to Waldman Publishing Corp. (Waldman). In particular, I am referring to the overstatement of sales to Wal-Mart of Canada that occurred in the year 2001 in the amount of \$110,000 and the proposed adjustment for sales allowances in the amount of \$30,000 and \$44,000 for the years 1999 and 2000, respectively. At this point, we still have not received any support for these adjustments other than an explanation. I do know however, that Ted has requested some information about these proposed adjustments from Goldie.

However, my purpose for corresponding with you is to express my concern about the fact that we continue to be "surprised" by both the size and nature of these adjustments. As I am sure you understand, Waldman has already closed these years, issued financial statements, filed tax returns and paid income taxes. Now we learn that Playmore is proposing net adjustments to Waldman of approximately \$92,000 for the years 1999, 2000 and 2001. Based on the information provided to me, the overstatement of sales occurred during the period January through July 2001. This error, however, was not discovered until August 2001. I am somewhat in a state of disbelief that an overstatement of this nature and size could continue to occur and not be discovered for approximately 8 months. I am also very confused as to why Waldman was not notified about this adjustment until November 2002. In addition, one would expect that Playmore would know the amount of the sales allowances on a timelier basis. It does not seem reasonable that we are just learning of sales allowances from as long ago as 1999 and 2000.

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PITTSBURGH
DALLAS
PHILADELPHIA
LOS ANGELES
CHARLOTTE

We have discussed with you on several occasions our frustration about not being able to plan properly because we do not get information about equalization adjustments on a timely basis. Now we are being informed about adjustments that relate to 3 years ago. I am sure that you understand the difficulty we have planning for Waldman when we do not have information needed to properly and accurately evaluate the company's financial situation. In the past, it has been suggested that Anne's desire to have more involvement in the decision-making processes relating to the amount and timing of these adjustments as meddling and interference in the day-to-day operations of Playmore. However, these are significant, material and not what I would call normal adjustments. They have a significant impact on both Waldman and Playmore. We continue to wonder why Waldman shares information about inventory issues with Playmore yet Waldman is kept in the "dark" on issues related to sales and accounts receivable until it is time to share the adjustments. As Playmore's partner, Waldman deserves to receive accurate and timely reporting of all equalization adjustments with adequate support and documentation as well as being able to participate in some of the decisions leading up to these adjustments.

I am sure that you understand our position as it relates to these adjustments and our concerns and frustrations as we continue to be plagued with these surprises. I would hope that you agree that the system of communicating these adjustments needs to be improved. I would appreciate your insight on why these misstatements occurred and what can be done differently to prevent them from happening again.

Yours very truly,


Paul J. Battaglia CPA

cc: A. Gober
T. Finkel ✓
K. Carey



Freed Maxick & Battaglia, PC
Certified Public Accountants

EXHIBIT 2

RSM McGladrey, Inc.

Business Solutions

Affiliated with
Freed Maxick & Battaglia, CPAs, PC

January 8, 2003

Peter Berlant
Anchin, Block & Anchin
1375 Broadway
New York, NY 10018

Re: Waldman Publishing/Playmore

Dear Peter:

As of today, Ted and Goldie have reconciled and equalized all open issues with the exception of sales allowances. According to Ted, he has not received any detail to support the proposed adjustment for the sales allowances. I was wondering if you could do anything to help in this regard so that we can resolve this issue and move on. 1999, 2000

In addition I have not received any response from you to my letter dated December 9, 2002. I would appreciate your thoughts as soon as possible.

Yours very truly,


Paul J. Battaglia, CPA

Cc: A. Gober
T. Finkle✓
K. Carey

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rsmmcgladrey.com

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EXHIBIT 3

From: Anne Waldman Gober [mailto:anneg@waldmanpub.com]

Sent: Monday, August 28, 2006 4:22 PM

To: 'JonH@playmorebooks.com'

Subject: BUSINESS CONCERNS

Jon,

I am very concerned about the volume of inventory we have at Waldman Publishing. Our cash flow for the year to date 2006 has been inadequate to maintain a large inventory. My operating reserve is quickly disappearing. We will need to move the inventory we've built up as soon as possible. In addition, we need to sell our non-profitable and slow moving inventory to at least recoup our costs. The email you have just sent me about Paradise Press confirms that the industry has weakened. However, we need to manage the inventory we have before we develop new items.

Please advise.

Anne

From: ANNE GOBER [mailto:anneg@waldmanpub.com]
Sent: Thursday, September 08, 2005 12:24 PM
To: Jon Horwich
Subject: Sprintime INVENTORY for 2006 and other requests
Importance: Low

Jon,

We will need to start planning our orders for Springtime. We will forward you what we ordered last year, leftover in inventory etc. and await your projections.

Please review XMAS merchandise inventory and advise whether you are still taking orders to sell off the inventory.

Every year we review the inventory for slow moving inventory items to be considered for discontinued. Please advise which items you are considering for this category.

Regards,
Anne

From: JonH@playmorebooks.com [mailto:JonH@playmorebooks.com]
Sent: Wednesday, September 27, 2006 8:42 AM
To: Anne Waldman Gober
Cc: 'katherine verderosa'; nicholes@waldmanpub.com
Subject: Re: D27588/36 SHAPED BOARD BOOKS

Anne,

To say that this sku does not move is not accurate. We have shipped DG approx. 240,000 pcs. of this sku so far this year with over 3 months to go which are the heaviest selling months of the year.

WPC is privy to the same trends both upwards and downwards movement on every sku just as Playmore is as we send you the ADV's with each order.

What apparently may be out of synch is the amount of inventory sitting in Ludlow as well as in China based on the flow of how DG is buying this sku. It was never recommended by anyone at Playmore to have over 2,000 cases of this sku on the floor in Ludlow with another 1,400 cases ready in China. I cannot answer why you do as this was not my decision. The sku is moving at DG, the inventory is too high. It should be 50% of what it is.

Best Regards,
Jon Horwich
President
Playmore Inc., Publishers
T. 201.678.2990 #240 F.201.678.2993
Please visit our website: www.playmorebooks.com
PLEASE NOTE WE HAVE MOVED!
OUR NEW ADDRESS IS;
58 MAIN STREET - 2nd FLOOR
HACKENSACK, NJ. 07601

"Anne Waldman Gober"
<anneg@waldmanpub.com>

09/27/2006 08:11 AM

To <JonH@playmorebooks.com>

cc "'katherine verderosa'" <katherinev@waldmanpub.com>,
<nicholes@waldmanpub.com>

Subject D27588/36 SHAPED BOARD BOOKS

Jon,

Please advise on the above item for Dollar General. I have 2,507 cartons in inventory or 90,252 books with 50,000 books sitting in stock inventory overseas since July. I will have to pay for the stock inventory.

Without the proper planning I am putting money into goods that don't move.

I need feedback from Playmore when goods start to slow down particularly for customers that require us to sticker the books for them.

Is there anyway for Playmore to track items with certain customers so that I do not go ahead and put into production items that are not moving?

Otherwise we will not put orders in without your feedback, which may cause delays and out of stock inventory.

Is DG going to continue taking this item and why has it slowed up?

Please advise.

Thank you for your help in this matter.

Anne

EXHIBIT 4

RSM! McGladrey

Affiliated with
Freed Maxick & Battaglia, CPAs, PC

March 7, 2007

Rachel Waldman
Director
Waldman Publishing Corporation
570 Seventh Avenue, Suite 800
New York, New York 10018

Dear Mrs. Waldman:

I am writing this letter to express some of my concerns regarding what I consider to be the continued deterioration of Waldman Publishing Corp.'s financial condition. In the last 4 years we have witnessed a decline in Waldman's revenues of over \$6,000,000 or 25%. Even more troubling is the fact that the gross profit has declined by almost 29% over the same period of time. Lastly, as I know you are painfully aware, your operating expenses continue to rise in the face of declining revenues and gross profit resulting in a decrease in net income since 2003 of slightly over 84%.

As we have discussed on several occasions, I have always been uncomfortable with Waldman's business relationship with Playmore. While I know that this relationship has existed for several years, and in fact was once very successful, it is most unusual in today's world, and is highly problematic due to the lack of transparency, accountability and sound business processes. I have always been troubled that there is no written agreement documenting this relationship. I refer you, for example, to a letter that I sent to Peter Berlant, Playmore's accountant, dated December 9, 2002. In that letter I expressed my concern about several adjustments and surprises by Playmore related to sales and accounts receivables that were 3 years old yet never communicated to Waldman until that time. I asked at time if there was something that could be done to improve communications related to these issues so that they could be dealt with on a timelier basis. I followed up on this letter with another dated January 8, 2003. I have yet to receive a response or acknowledgement to either letter.

Unfortunately, I feel that if you continue to do business as usual, your financial situation will continue to deteriorate. In my opinion, you need to take bold action to solidify and formalize your business relationship with Playmore. In light of the slumping sales you need to immediately implement a plan for reducing your overhead. I would also take what ever measures are appropriate to protect and salvage the family's capital and equity

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independent member firm of
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in the company. If it is not possible to restructure your business relationship with Playmore, then you should consider selling off the inventory that I have confidence could be done, and close down the Ludlow Mass. operation as soon as possible in an effort to stop the bleeding.

I fear that you may find this letter rather blunt and my recommendations rather severe. However, I firmly believe that you need to do something to implement a change in your business model now. If you do nothing and continue down the same path, then I am afraid that Waldman Publishing Corp.'s future will not be very bright.

I will be happy to discuss my thoughts and concerns further with you if you so desire.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Paul J. Battaglia". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul J. Battaglia, CPA

Cc: Michael Gober, COO

Jerry Cohen, Attorney at Law, Cohen, Tauber, Spievack & Wagner

EXHIBIT 5